

Message Text

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SUBJ: SUPREME COURT RULES GOC ANTI-INFLATION ACT WAS CON-
STITUTIONAL

1. SUMMARY: SUPREME COURT OF CANADA HAS RULED THAT
GOC ANTI-INFLATION ACT WAS CONSTITUTIONAL. IN 7 TO
2 JUDGMENT, COURT DECIDED IN FAVOR OF GOC ARGUMENT
GHAT BNA ACT PERMITTED PARLIAMENT ENACT SUCH
LEGISLATION "TO MAINTAIN PEACE, ORDER AND GOOD
GOVERNMENT." HOWEVER, BY 9 TO 0 RULING, COURT HELD
THAT ONTARIO PROVINCIAL ANTI-INFLATION AGREEMENT
WITH GOC WAS INVALID. END SUMMARY.

2. ON JULY 12, SUPREME COURT OF CANADA, IN 7 TO 2
DECISION, UPHELD CONSTITUTIONALITY OF GOC ANTI-
INFLATION ACT, PASSED BY PARLIAMENT ON DECEMBER 15,
1975 WITH EFFECT FROM OCTOBER 14, 1975. CHIEF
JUSTICE BORA LASKIN, WRITING MAJORITY DECISION,
STATED THAT ACT "IS VALID LEGISLATION FOR THE PEACE,
ORDER AND GOOD GOVERNMENT OF CANADA AND DOES NOT, IN
THE CIRCUMSTANCES UNDER WHICH IT WAS ENACTED AND HAVING
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REGARD TO ITS TEMPORARY NATURE, INVADE PROVINCIAL

LEGISLATIVE JURISDICTION."

3. "IN MY OPINION," WROTE JUSTICE LASKIN, "THIS COURT WOULD BE UNJUSTIFIED IN CONCLUDING, ON THE SUBMISSION IN THIS CASE AND ON ALL THE MATERIAL PUT BEFORE IT, THAT THE PARLIAMENT OF CANADA DID NOT HAVE A RATIONAL BASIS FOR REGARDING THE ANTI-INFLATION ACT AS A MEASURE WHICH, IN ITS JUDGMENT, WAS TEMPORARILY NECESSARY TO MEET A SITUATION OF ECONOMIC CRISIS IMPERILLING THE WELL-BEING OF THE PEOPLE OF CANADA AS A WHOLE AND REQUIRING PARLIAMENT'S STERN INTERVENTION IN THE INTERESTS OF THE COUNTRY AS A WHOLE."

4. BY 9 TO 0 DECISION, SUPREME COURT HELD THAT INTRA-GOVERNMENTAL AGREEMENT BETWEEN GOC AND ONTARIO WAS INVALID. ACCORDING TO CHIEF JUSTICE LASKIN, "THE AGREEMENT IS NOT EFFECTIVE TO RENDER THE ANTI-INFLATION ACT BINDING ON, AND THE GUIDELINES MADE THEREUNDER APPLICABLE TO THE PROVINCIAL PUBLIC SECTOR IN ONTARIO AS DEFINED IN THE AGREEMENT."

5. ONTARIO AGREEMENT WAS EXECUTED ON BEHALF OF ONTARIO GOVERNMENT BY PROVINCIAL MINISTER, TO WHOM AUTHORITY FOR EXECUTION WAS GIVEN BY PROVINCIAL ORDER IN COUNCIL. (ONLY ONTARIO AND NEWFOUNDLAND PROVINCES PROCEEDED IN THIS MANNER TO PLACE PROVINCIAL EMPLOYEES UNDER FEDERAL JURISDICTION. MOST OTHER PROVINCES ENACTED LEGISLATION TO GIVE EXECUTIVE AUTHORITY TO SIGN AGREEMENTS.) THUS, MANNER IN WHICH AGREEMENT BETWEEN ONTARIO AND GOC WAS ESTABLISHED BECAME SOURCE OF CONTENTION.

6. ACCORDING TO CHIEF JUSTICE LASKIN, ONTARIO/FEDERAL AGREEMENT "IMPOSES THE GUIDELINES AND ACCOMPANYING SACNTIONS ON THE PROVINCIAL PUBLIC SECTOR, THEREBY ALTERING THE EXISTING LAW OF ONTARIO...I AM UNABLE TO APPRECIATE HOW THE PROVINCIAL EXECUTIVE, SUO MOTU, CAN ACCOMPLISH SUCH A CHANGE."

7. COMMENT: HAD SUPREME COURT STRUCK DOWN ANTI-UNCLASSIFIED

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INFLATION ACT AS BEING UNCONSTITUTIONAL, ENTIRE GOC ANTI-INFLATION PROGRAM WOULD HAVE BEEN IN PERIL. PRESUMABLY ONTARIO COULD NOW BE INCLUDED IN FEDERAL PROGRAM IF ENABLING LEGISLATION WERE ENACTED.

8. SOME MEDIA COMMENTATORS HAVE SUGGESTED THAT SUPREME COURT DECISION SOMEHOW SIGNIFIES JUDICIAL STAMP OF APPROVAL FOR INCREASED FEDERALISM WITH SOME LESSENING OF

PROVINCIAL POWERS. AS EMBASSY REVIEWS DECISION AND
ADDITIONAL COMMENTARY FROM VARIOUS SOURCES, IT WILL
SUBMIT FURTHER ANALYSIS ON THIS ASPECT OF SUPREME
COURT RULING.
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